

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6962

BILL NUMBER: HB 1719

NOTE PREPARED: Jan 12, 2003

BILL AMENDED:

SUBJECT: Medicaid Coverage for County Home Residents.

FIRST AUTHOR: Rep. Klinker

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Office of Medicaid Policy and Planning to amend the state Medicaid Plan to provide medical coverage for county home residents.

Effective Date: Upon passage.

Explanation of State Expenditures: This bill requires the Office of Medicaid Policy and Planning (OMPP) to apply to amend the state plan to include county home resident medical coverage. The OMPP should be able to absorb the administrative costs associated with this bill given current staffing and resources.

According to FSSA, federal regulations state that residents of public institutions are not eligible for federal Medicaid reimbursement. Public institutions, as defined in 42 CFR 435.1008 and 42 CFR 435.1009, do not include a medical institution, an intermediate care facility (e.g., nursing facility or intermediate care facility for the mentally retarded), a publicly operated community residence that serves no more than 16 residents, or a child-care institution. Given that federal regulations prohibit payment of medical services for residents of public institutions, it is unlikely that the State Plan amendment would be approved. The State Plan cannot include services for which federal financial participation is not available.

However, there is one county home that has a capacity of fewer than 16 individuals. According to FSSA the Howard County Home has a capacity of 15 and currently has four residents in the ARCH program. It is unknown as to whether any of these residents meet Medicaid eligibility requirements. If an individual is Medicaid eligible, it would be their decision as to whether or not to apply for Medicaid services. The cost savings to the state would be minimal if these four residents were Medicaid eligible.

Background: The state currently pays 100% of medical costs for residents of county homes. The FSSA budget request for FY 2004 and FY 2005 includes \$5.5 M annually for medical costs for residents of county homes.

Explanation of State Revenues: See *Explanation of State Expenditures* regarding the cost-shared Medicaid program.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected:

Information Sources: FSSA, *Expenditure Forecast: FY 2000-2005, Medicaid and Chip Programs*; U.S. Code of Federal Regulations: 42 CFR 435.1008 and 42 CFR 435.1009; Amy Kruzan, Legislative Director, FSSA, 317-232-1149

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